

19 JAN 1981

Gentlemen:

We have completed consideration of your application for exemption from Federal income tax under section 501(c)(6) of the Internal Revenue Code.

Your Articles of Incorporation state that the purposes for which you are formed are to hold ownership and to maintain roads, water rights, water lines, ponds and other items or interest owned or existing for the joint use or benefit of lot owners of [REDACTED] and [REDACTED].

Furthermore, you state that you are dedicated to the development of a community that will be a desirable, safe, and healthful place to live and you will promote and protect the interest of all owners of property in the subdivisions.

Your activities include maintaining roads, water facilities, green areas or other facilities dedicated to community use; enforcing conditions, and covenants and restrictions of the subdivisions; and collecting dues from the property owners.

Section 501(c)(6) of the Internal Revenue Code provides exemption for:

"Business leagues, chambers of commerce, ...not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

To qualify for exemption under section 501(c)(6), an organization's purpose must be to improve the business conditions of one or more lines of business and its activities must be directed to that purposes.

| CODE     | INITIATOR | REVIEWER   | REVIEWER | REVIEWER | REVIEWER | REVIEWER | REVIEWER |
|----------|-----------|------------|----------|----------|----------|----------|----------|
| SUR NAME |           | [REDACTED] |          |          |          |          |          |
| DATE     |           | 1-12-81    |          |          |          |          |          |

[REDACTED]

Based on the information you have presented, you do not meet the requirements for exemption under section 501(c)(6). You are not organized or operated for the purposes specified in section 501(c)(6). It appears that you are a homeowners association organized and operated for the benefit of the individual property owners.

Accordingly, tax exemption under section 501(c)(6) of the Internal Revenue Code is denied.

If you agree with these conclusions or do not wish to file a written protest, please sign and return Form 6018 in the enclosed self-addressed envelope as soon as possible. You should also file the enclosed Federal income tax return(s) within 30 days with the Chief, Employee Plan/Exempt Organization Division 1100 Commerce, Dallas, Texas 75242.

If you do not agree with these conclusions, you may, within 30 days from the date of this letter, file in duplicate a brief of the facts, law, and argument that clearly sets forth your position. If you desire an oral discussion of the issue, please indicate this in your protest. The enclosed Publication 892 gives instructions for filing a protest.

If we do not hear from you within 30 days, this letter will be our determination in the matter.

Sincerely,

[REDACTED]  
District Director

Enclosures:  
Publication 892  
Form 1120